



Press release

June 29, 2023

Corina Kirchner
Public Relations
T +49 911 395 4570
corina.kirchner@gfk.com

New GfK CMO survey: Only 7 percent of marketing leaders feel they are fully equipped for **SUCCESS**

GfK launches "CMO Outlook Index".

Nuremberg, June 29, 2023 – In a global research with over 600 CMOs and senior marketing decision makers, GfK has examined their perception of success factors driving effective marketing in their companies, broken down into three pillars of "Impact", "Alignment" and "Investment". The survey responses form the basis for GfK's new "CMO Outlook Index", which shows that most senior marketing leaders feel there is significant potential for improvement in their organization. It also identifies what CMOs can do to achieve marketing excellence. The CMO Outlook Index will be tracked continuously, with the full report providing an even deeper analysis and recommendations being released in September.

The three central pillars of marketing effectiveness are: "Impact" (capability of team and demonstration of ROI), "Alignment" (leveraging the brand's commercial value and purpose), and "Investment" (C-suite commitment to brand and marketing investment). GfK's global study shows that there is still a lot of room for progress. While 40 percent of the senior marketers say they have all necessary resources in at least one of the areas, only seven percent say they feel optimally equipped across all three of the pillars.

"It is relatively common for CMOs to have optimized either their marketing team's ability or their company's brand alignment or its brand investment. The huge drop-off comes when we look at who feels optimally positioned across all three areas. The findings from our CMO Outlook Index help marketing leaders to understand how their peers perceive marketing and where growth is needed," comments **Gonzalo Garcia Villanueva, Chief Marketing Officer at GfK.**

GfK SE
Sophie-Germain-Strasse 3 - 5
90443 Nuremberg
Germany

T +49 911 395 0

Management:
Lars Nordmark
(Interim CEO + CFO)
Joshua Hubbert

Chairman
of the supervisory board:
Ralf Klein-Bölting

Commercial register:
Nuremberg HRB 25014



Companies where marketing leaders see strong “Alignment” have more responsibilities assigned to marketing teams

The “Alignment” pillar relates to leveraging the brand’s commercial value and purpose: A quarter of all marketing decision-makers in the survey very strongly agree that their company has a clearly defined mission and purpose beyond commercial goals, and also that the brand contributes to the company's commercial success. In companies where the marketing leader feels they have a strong brand purpose, marketing typically has more influence: 81 percent of the marketing leaders in such companies include product development as a responsibility of Marketing (compared to 69 percent average for all respondents), and 78 percent say the same for pricing (compared to 67 percent average).

Budgeting for success: 60 percent of decision makers in the survey prioritize long-term brand building in marketing allocations

For the “Investment” pillar, GfK looked at the balance between long-term brand building and short-term sales growth, as well as the backing of CEOs and CFOs for investing in long-term brand strategies. 19 percent of marketing leaders in the survey consider themselves to be optimally positioned in both categories. Within this group, 60 percent say they spend at least 7 in 10 of their marketing dollars on long-term brand building, compared to 52 percent of all respondents. This level of long-term investment seems high, but likely captures budget beyond immediate media and production costs.

20 percent of the decision-makers believe they are ideally positioned regarding “Impact”: They have a strong team with all necessary skills and a good understanding of which activities, channels and marketing levers deliver the best ROI. Of these, 59 percent are extremely confident that their data, analytics, and insights systems will be able to answer the critical business questions of the future. This contrasts sharply with only 28 percent of the full set of respondents being able to make the same claim. “Impact” leaders are more likely than average to say they have mature capabilities in areas like customer segmentation, campaign optimization and extracting insights from data.

Index rating reveals critical differences by revenue and industry

The overall CMO Outlook Index is an average across all three pillars and takes the marketing frontrunners for each pillar into account: those who agree very strongly with the defining categories per pillar and who therefore feel most confident. This overall Index score currently stands at 21.

Looking more closely at company sizes, the index shows that marketers in companies with high annual revenues also consider themselves best positioned in terms of the success factors needed for effective marketing. For example, the overall index for marketing leaders in companies with annual revenues of less than 500 million US dollars is 12, compared to 28 for those in companies with annual revenue of more than 1 billion US dollars.

Overview by annual revenue



©GfK | Source: CMO Outlook survey 2023

Interesting differences can also be observed across different industries: Utilities, Telecommunications, and Logistics companies have the lowest CMO Outlook Index score, standing at 17, while Technology and Durables as well as Financial and Professional Services companies have the highest score, each standing at 24. These even outrank typically strong industries like FMCG, Fashion & Lifestyle (index of 19), whose overall score is brought down by a low rating within marketing “Alignment”.

Comprehensive CMO Outlook Report to be released in September 2023

The CMO Outlook Index will soon be complemented by a comprehensive report from GfK that will provide even more in-depth information and analysis on the situation and challenges facing CMOs worldwide. It is designed to help marketing leaders worldwide address challenges and ensure marketing excellence in their companies. The CMO Outlook Report is expected to be published in September 2023.

For more information on the current CMO Outlook Index, click [here](#).

- Ends-



Notes to editor/About the study

The **CMO Outlook Survey** is based on 633 interviews with a global sample of senior marketing leaders in businesses with either annual revenue over 50 million US dollars or more than 250 employees. Marketing leaders are defined as CMOs or Brand Heads, Directors or VPs of Marketing, Brand, Marketing Operations or Customer Experience.

The **CMO Outlook Index** is based on the CMO Outlook Survey and consists of the three pillars "Impact", "Alignment", and "Investment". Each marketing pillar score is based on the percentage of those " marketing leaders that very strongly agree to both of two key statements per pillar. The CMO Outlook Index is then calculated by taking an average of the three pillar scores. The key statements per pillar are:

Impact:

- I have a clear understanding of which activities, channels and marketing levers give the best ROI.
- We have a strong team with all the skills we need to deliver our marketing strategy

Alignment:

- Beyond our commercial goals, we have a clear mission/purpose as a brand.
- Our brand is an asset that really helps us to deliver commercial success.

Investment:

- My CEO and CFO believe in the value of investing in our brand for the long-term.
- We have the right balance between short-term return and long-term brand building in our marketing.

Answer options ranged from "Do not agree" to "Very strongly agree" on a four-point scale.

Press contact: Corina Kirchner, T +49 911 395 4570, corina.kirchner@gfk.com

GfK. Growth from Knowledge.

For over 85 years, we have earned the trust of our clients around the world by solving critical business questions in their decision-making process around consumers, markets, brands and media. Our reliable data and insights, together with advanced AI capabilities, have revolutionized access to real-time actionable recommendations that drive marketing, sales and organizational effectiveness of our clients and partners. That's how we promise and deliver "**Growth from Knowledge**".